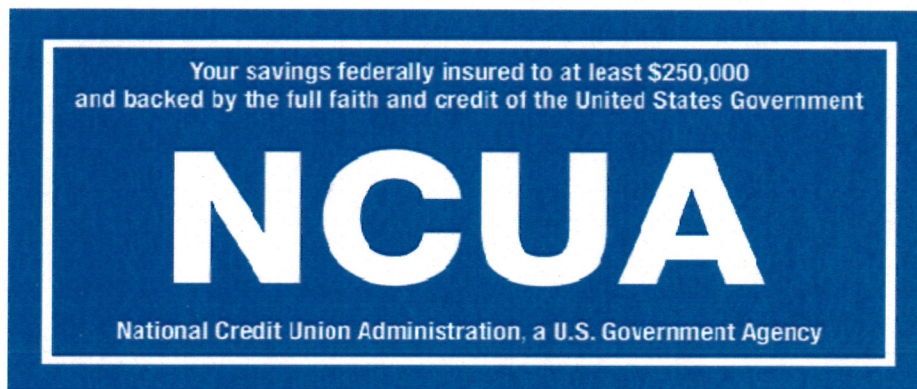


NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

October 31, 2013

Mary Ann Woodson

MARY ANN WOODSON
CHIEF FINANCIAL OFFICER

**NATIONAL CREDIT UNION
SHARE INSURANCE FUND**

**FINANCIAL HIGHLIGHTS
October 31, 2013**

Balance Sheet:

Other - Insurance and Guarantee Program Liabilities (Reserves): Reserves are \$198.9 million as of October 31, 2013; \$10.7 million is for specific natural person credit unions, and \$188.2 million is for general reserves.

Statement of Net Cost:

For the month ended October 31, 2013, the fund had a net income of \$9.0 million. The fund recognized gross revenues of \$17.0 million and total operating expenses of \$10.4 million. The fund recognized a reduction in its insurance loss expense of \$2.4 million during the month of October 2013.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

PRELIMINARY AND UNAUDITED BALANCE SHEETS

As of October 31, 2013

(Dollars in thousands)

	<u>October 2013</u>	<u>September 2013</u>	<u>October 2012</u>
ASSETS			
INTRAGOVERNMENTAL			
Fund Balance with Treasury	\$ 499	\$ 563	\$ 1,078
Investments, Net U.S. Treasury Securities	11,273,046	10,979,165	11,285,186
Accounts Receivable - Note due from the National Credit Union Administration Operating Fund	13,298	13,409	14,639
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	2,241	-	-
Accounts Receivable, Other	-	-	2,040
Accrued Interest Receivable, Investments	70,867	62,936	68,231
Total Intragovernmental Assets	<u>11,359,951</u>	<u>11,056,073</u>	<u>11,371,174</u>
PUBLIC			
Accounts Receivable - Capitalization Deposits from Insured Credit Unions, Net	3,119	277,340	233
Notes Receivable, Net	224,924	226,282	252,666
Accrued Interest Receivable	587	470	6
Advances	13	25	-
Other - Receivable from Asset Management Estates, Net	139,049	188,774	191,749
Total Public Assets	<u>367,692</u>	<u>692,891</u>	<u>444,656</u>
TOTAL ASSETS	<u>\$ 11,727,643</u>	<u>\$ 11,748,964</u>	<u>\$ 11,815,830</u>
LIABILITIES			
INTRAGOVERNMENTAL			
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 92	\$ 2,103	\$ 124
Accounts Payable - Due to the Temporary Corporate Credit Union Stabilization Fund	519	105	84
Total Intragovernmental Liabilities	<u>611</u>	<u>2,208</u>	<u>208</u>
PUBLIC			
Accounts Payable	1,017	8,842	746
Other - Insurance and Guarantee Program Liabilities (Reserves)	198,853	243,776	398,882
Total Public Liabilities	<u>199,870</u>	<u>252,618</u>	<u>399,628</u>
TOTAL LIABILITIES	<u>200,481</u>	<u>254,826</u>	<u>399,836</u>
NET POSITION			
Contributed Capital	8,661,008	8,661,369	8,318,061
Cumulative Result of Operations	2,866,154	2,832,769	3,097,933
Total Net Position	<u>11,527,162</u>	<u>11,494,138</u>	<u>11,415,994</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 11,727,643</u>	<u>\$ 11,748,964</u>	<u>\$ 11,815,830</u>

NATIONAL CREDIT UNION SHARE INSURANCE FUND
PRELIMINARY AND UNAUDITED STATEMENTS OF NET COST
For the Periods Ending October 31, 2013
(Dollars in thousands)

	<u>October 2013</u>	<u>CY to Date October 2013</u>	<u>CY to Date October 2012</u>
GROSS COSTS			
OPERATING EXPENSES			
Employee Pay	\$ 6,827	\$ 66,152	\$ 63,362
Employee Benefits	1,935	23,132	21,848
Travel	445	13,207	12,534
Rent, Communications, and Utilities	135	2,189	2,223
Administrative Costs	410	5,565	5,815
Contracted Services	441	9,525	7,801
AMAC Expense	-	-	356
Training Expense	171	981	1,107
Leasing Expense	2	148	110
Other Insurance Expense	-	46	46
Total Operating Costs	<u>10,366</u>	<u>120,945</u>	<u>115,202</u>
INSURANCE LOSS EXPENSE	<u>(2,395)</u>	<u>(71,197)</u>	<u>(110,893)</u>
Total Gross Costs	<u>7,971</u>	<u>49,748</u>	<u>4,309</u>
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(20)	(210)	(247)
Interest Revenue - Other	(287)	(2,915)	(1,470)
Other Revenue	-	(882)	(3,661)
Total Exchange Revenue	<u>(307)</u>	<u>(4,007)</u>	<u>(5,378)</u>
TOTAL NET COST/(INCOME) OF OPERATIONS	<u>7,664</u>	<u>45,741</u>	<u>(1,070)</u>
LESS NON-EXCHANGE REVENUES			
Investment Income	(16,710)	(164,954)	(173,733)
Total Non-Exchange Revenues	<u>(16,710)</u>	<u>(164,954)</u>	<u>(173,733)</u>
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	<u>\$ (9,046)</u>	<u>\$ (119,213)</u>	<u>\$ (174,803)</u>

NATIONAL CREDIT UNION SHARE INSURANCE FUND
PRELIMINARY AND UNAUDITED STATEMENTS OF NET POSITION
October 31, 2013
(Dollars in thousands)

	October 2013	September 2013	October 2012
NET POSITION BREAKDOWN			
CU Contributed Capital	\$ 8,661,008	\$ 8,661,369	\$ 8,318,061
Retained Earnings	2,716,395	2,707,491	2,707,760
Total Net Position without Unrealized Gain/(Loss)	11,377,403	11,368,860	11,025,821
Unrealized Gain/(Loss) - Investments	149,759	125,278	390,173
NET POSITION	\$ 11,527,162	\$ 11,494,138	\$ 11,415,994

Comparative Analysis of NCUSIF Ratios for October 2013

	October 2013	September 2013	October 2012
Investments/Total Assets	96.12%	93.45%	95.51%
Total Equity/Insured Shares (1)	1.31%	1.31%	1.32%
Available Assets Ratio	1.27%	1.23%	1.30%
Ins. Loss Exp./Insured Shares	0.00%	0.00%	0.00%

Actual Insured Shares as of June 30, 2013	869,022,832,201
Actual Insured Shares as of December 31, 2012	839,385,188,302
Actual Insured Shares as of June 30, 2012	834,267,557,427

(1) The September and October 2013 ratio is based on an actual insured share level of \$869.0 billion as of June 30, 2013.

(1) The October 2012 ratios are based on an actual insured share level of \$834.3 billion as of June 30, 2012.

Figure 1

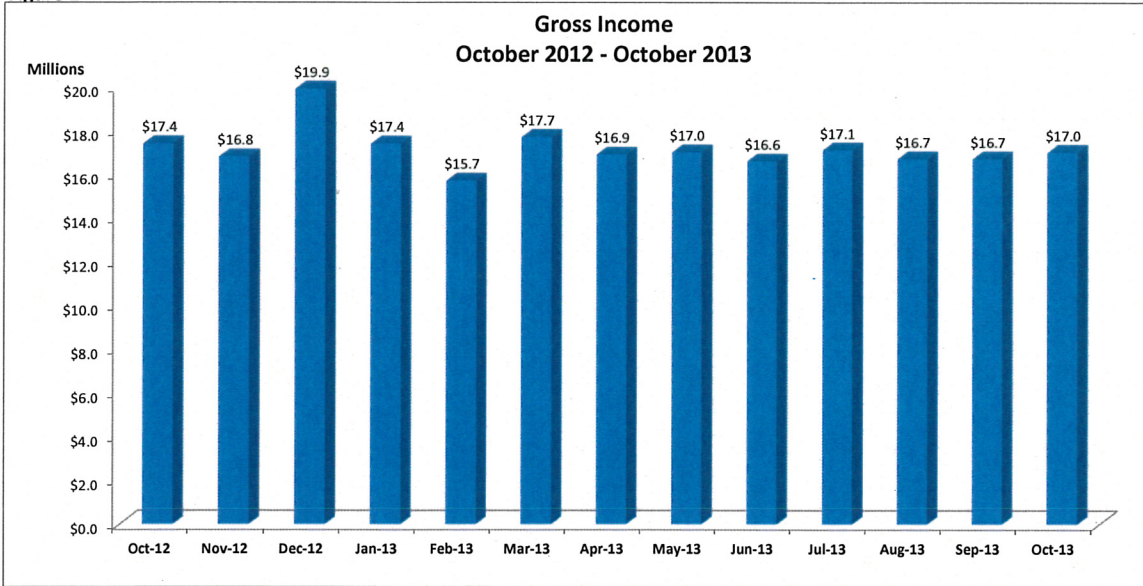


Figure 2

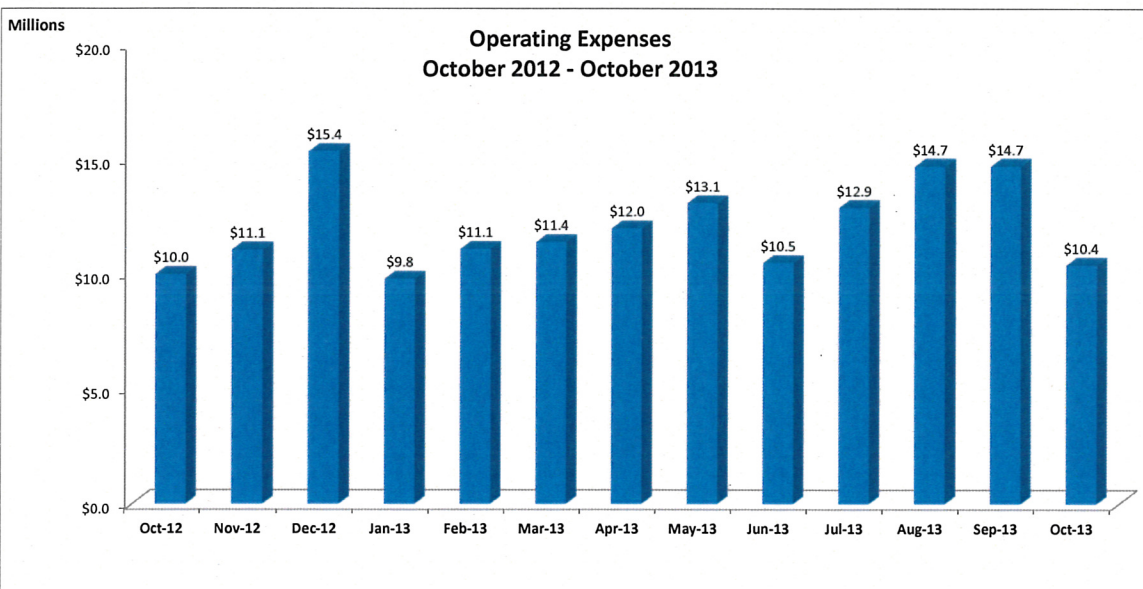
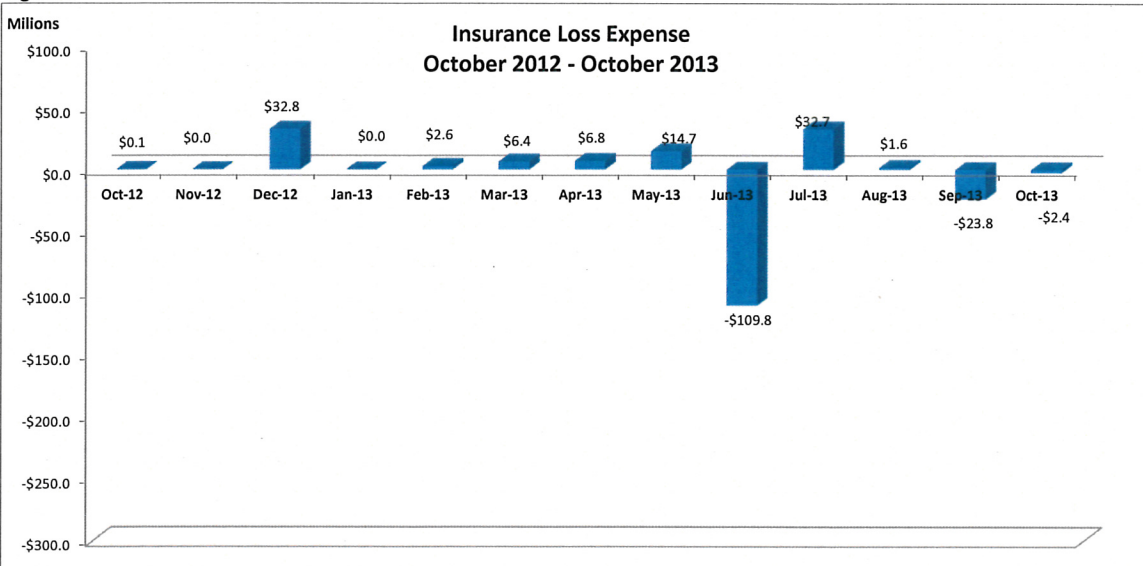


Figure 3



INVESTMENT PORTFOLIO SUMMARY
October 31, 2013

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)						
	Book Value		Market Value	Gain or (Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$ 349,462,000	\$	349,462,000	\$ -	100.00%	0.14%
U.S. Treasury Notes	10,773,825,646		10,923,584,375	149,758,730	101.18%	1.84%
Total	\$ 11,123,287,646	\$	11,273,046,375	\$ 149,758,730	101.35%	1.80%
II. INVESTMENT PORTFOLIO SUMMARY						
	Last Month		Current Month		CY To Date	
Investment Yield	1.79%		1.80%		1.82%	
Investment Income	\$ 15,833,256	\$	16,710,422	\$	164,955,092	
Weighted Avg. Maturity in Days	1,341		1,325			
III. MONTHLY ACTIVITY						
Purchased	Type		Amount	Maturity	Yield	
10/17/2013	T-Note	\$	100,000,000	11/30/2018	1.38%	
10/17/2013	T-Note		100,000,000	1/31/2019	1.44%	
10/17/2013	T-Note		50,000,000	8/15/2021	2.21%	
TOTAL		\$	250,000,000			
IV. MATURITY SCHEDULE (par value in millions)						
Overnight	\$		349			
1 month - 6 months			700			
6 months - 1 year			1,150			
1 year - 2 years			1,870			
2 years - 3 years			1,950			
3 years - 4 years			1,000			
4 years - 5 years			600			
5 years - 10 years			3,300			
TOTAL	\$		10,919			